



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 8, 2008

Board of Supervisors  
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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SENATE BILL 1953 SEISMIC RETROFIT PROJECT  
APPROVE VARIOUS ACTIONS  
SPECS. 6566; C.P. 86534  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

As required by Senate Bill 1953, all California hospital buildings and equipment are required to be seismically anchored by January 1, 2013, unless an extension is granted. Design, construction management, and document control service agreements are now recommended for augmentation to allow the project to proceed.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the Harbor-UCLA Medical Center Senate Bill 1953 Seismic Retrofit project is categorically exempt under Section 15301, Classes 1 (a), (d), and (f) of the California Environmental Quality Act.
2. Approve a revised project budget of \$50,872,000 for the Harbor-UCLA Medical Center Senate Bill 1953 Seismic Retrofit project.
3. Authorize the Acting Director of Public Works to execute Supplemental Agreement 15 to Contract PW-12492 with Integrated Design Services, Inc. to provide additional design and construction administration support services for a not-to-exceed fee of \$3,549,466.

4. Authorize the Acting Director of Public Works to execute Supplemental Agreement 3 to Contract PW-12480 with URS Corporation, Inc. to provide additional project/construction management services for a not-to-exceed fee of \$889,000.
5. Authorize the Acting Director of Public Works to execute Supplemental Agreement 1 to Contract PW-12893 with Management Specialty Services, Inc. to provide document control services for a not-to-exceed fee of \$650,000.
6. Authorize the Acting Director of Public Works to proceed with construction utilizing the job order contract program.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the Department of Public Works (Public Works) to proceed with construction of the Harbor-UCLA Medical Center Senate Bill 1953 Seismic Retrofit project (Seismic Retrofit).

#### **Background**

In December 2001, your Board approved the Seismic Retrofit, consisting of structural retrofit work in the hospital's South Wing and nonstructural retrofit work in the South Wing, Central Plant, and Patient Tower buildings to comply with Senate Bill 1953 (SB 1953) requirements. Subsequent to that initial approval, your Board has approved several significant changes in the project's scope, including the:

- Reconfiguration of a portion of the 5th Floor in the existing Patient Tower to provide a new eight-bed Intensive Care Unit (ICU) to reduce the construction impacts on the hospital's operations during the retrofit of existing ICU beds; and
- Exclusion of the existing surgery, emergency, and central sterile departments from the Seismic Retrofit due to your Board's approval in October 2006, of the Harbor-UCLA Surgery/Emergency Room Replacement project.

In April 2006, your Board authorized submission of a request to Office of Statewide Health Planning and Development (OSHPD) for an extension to the January 1, 2008, deadline for the completion of structural improvements required under SB 1953. In response, OSHPD extended the deadline for SB 1953 compliance at Harbor-UCLA Medical Center to January 1, 2013.

OSHPD approval of the construction documents for the Seismic Retrofit was obtained in March 2007. The approved construction documents incorporated the addition of the eight-bed ICU excluded surgery, emergency, and central areas and also reflected an extended construction phasing plan that is necessary to accommodate the hospital's ongoing operations.

#### Project Delivery Plan

It is recommended that construction of the Seismic Retrofit be implemented through the utilization of job order contracts (JOC) in order to reduce disruption to services within the operating hospital. While the level of management required for JOC exceeds that of a traditional low-bid contract, JOC provides far more flexibility in the rephasing and resequencing of work. This added flexibility will be essential to successfully accommodate changes in hospital operations, reduce disruptions, accommodate unforeseen conditions, and reduce the potential for delay claims. This is particularly important because of increased service levels currently being experienced at Harbor-UCLA. It should be noted that JOC was successfully and effectively used for the refurbishment of the operating room suites and psychiatric unit at Martin Luther King Jr. Hospital.

Construction activities will be sequenced in phases to minimize operational disruptions, with the eight-bed ICU included in the initial phase to facilitate relocation of patients and staff in other ICUs impacted by construction. The overall Seismic Retrofit is scheduled to be completed in March 2012, as indicated in Attachment A.

In order to appropriately support the program, we are recommending your Board's approval to supplement three primary consultant agreements with: Integrated Design Services, Inc. (IDS) to provide additional design and construction administration services; URS Corporation, Inc. (URS) for additional construction management support; and Management Specialty Services, Inc. (MSS) for document control services. Approval of these contract supplements to the successful management of the Seismic Retrofit.

#### Integrated Design Services, Inc. – Supplemental Agreement 15

The proposed Supplemental Agreement 15 will provide additional design and construction administration support services for a not-to-exceed fee of \$3,549,466.

In January 2002, your Board authorized Public Works to execute a contract with IDS for a not-to-exceed fee of \$3,093,000 to provide design services for the Seismic Retrofit. IDS has completed the design and obtained OSHPD plan approval of the project. The recommended Supplemental Agreement provides funds for construction administration support services for the eight-bed ICU, additional construction administration support services for the Seismic Retrofit, repackaging of the construction documents to conform

with the construction phasing to be utilized with JOC work orders, and obtaining OSHPD approval for the new move management plan and occupancy schedule of each department.

URS Corporation, Inc. – Supplemental Agreement 3

The proposed Supplemental Agreement 3 with URS will provide additional construction management services for a total not-to-exceed fee of \$889,000.

In December 2001, your Board authorized Public Works to execute a contract with URS to provide project/construction management services for the seismic retrofit at Harbor-UCLA, Olive View-UCLA Medical Center, Martin Luther King, Jr. Multi-Services Ambulatory Care Center (formerly Martin Luther King, Jr./Drew Medical Center), and High Desert Hospital for a not-to-exceed fee of \$15,142,000. In 2007, the agreement was increased to \$16,325,000 to provide additional construction management services for the Olive View – UCLA Seismic Retrofit Project.

The original proposal from URS assumed that the project would be implemented utilizing a single general contractor. The original URS proposal also assumed the project would be completed before January 2008 and that URS' involvement in the project would be reduced during the construction phase.

The proposed Supplemental Agreement 3 with URS allows continuous staffing for the oncoming construction management tasks, which include managing multiple JOC contracts occurring simultaneously, move management coordination, equipment planning, signage, testing and verification related to radiology equipment, and hazardous material consultant services for the Seismic Retrofit.

The requested additional services from URS are estimated to cost an additional \$2,850,000. This cost will be partially offset with a reallocation of \$1,961,000 within the existing URS contract from the Martin Luther King, Jr. Multi-Services Ambulatory Care Center – Senate Bill 1953 Project, which is being deferred until the Department of Health Services' programming of inpatient services at that facility is completed. The net increase of \$889,000 in the URS agreement will result in an overall URS agreement of \$17,214,000.

Management Specialty Services, Inc. - Supplemental Agreement 1

The proposed Supplemental Agreement 1 with MSS will provide on-site administrative, document preparation, and control services for a not-to-exceed fee of \$650,000.

Document control services for the Seismic Retrofit have been provided by MSS under the URS contract. On December 14, 2005, your Board authorized Public Works to execute Contract PW-12893 with MSS to provide document control services for the S/E Replacement for a not-to-exceed fee of \$2,100,000. The Request for Proposals for this contract identified that the selected consultant would be contracted to also perform document control services for the Seismic Retrofit in order to share staffing resources and to provide more efficient and seamless document control services for both projects. As stated in the December 2005 Board letter, a future request would be before your Board to award a similar contract for the Seismic Retrofit to MSS.

We are now recommending approval of Supplemental Agreement 1 to the MSS Contract PW-12893 for a \$650,000 not-to-exceed fee increasing the MSS contract amount to \$2,750,000. Supplemental Agreement 3 for URS, discussed previously, includes a deduction for these MSS services. The proposed services include preparation of correspondence, transmittals, presentation materials, and reports; implementation of a document control system; maintenance of a master calendar; assistance in the development of project-specific procedures; and facilitating the creation and utilization of an issue tracking system through the end of construction.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1) by minimizing the disruption to services during construction of the projects to the greatest extent possible and Fiscal Responsibility (Goal 4) as this project is an investment in public infrastructure.

### **FISCAL IMPACT/FINANCING**

In December 2001, your Board approved the Seismic Retrofit, including plans and specifications, plan check, construction, consultant services, and County services, at \$41,017,000. During the subsequent seven years, the project cost has increased to \$50,872,000 due to numerous factors, including increases in the construction duration to reduce disruptions to hospital operations, increases in management costs to utilize the JOC program, construction cost escalation, and increases in the project scope. In addition, although construction scope has been reduced, design and other soft cost were expended during design based on the project's original scope. The Project Budget summary is included in Attachment A.

Sufficient appropriation is available in the 2007-08 Capital Projects/Refurbishment Budget (C.P. No. 86534) to fund the recommended supplemental agreements.

It is anticipated that the project will be financed initially through the issuance of tax-exempt commercial paper and ultimately the issuance of long-term, tax-exempt bonds.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The agreements will be approved as to form by County Counsel. The recommended contracts, PW-12480, PW-12492, and PW-12893, were solicited on an open competitive basis and are in accordance with applicable Federal, State, and County requirements. The consultants are in compliance with the Chief Executive Officer's and your Board's requirements.

These contracts contain terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safety Surrendered Baby Law), Board Policy No. 5.135; Contractor Employees Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

Data regarding the consultant's minority participation is on file with Public Works. The consultants were selected upon final analysis and consideration without regard to race, creed, gender, or color.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed project is categorically exempt from the California Environmental Quality Act in accordance with State Guidelines, Section 15301, Classes 1 (a), (d), and (f); and Classes 1 (d) and (i), of the County of Los Angeles Environmental Procedures and Guidelines adopted by your Board on November 17, 1987, because the work will involve the seismic retrofit of existing buildings to meet current standards of public health and safety. A Notice of Exemption will be filed with the Registrar-Recorder/County Clerk.

### **CONTRACTING PROCESS**

The recommended supplemental agreement with IDS for a \$3,549,466 not-to-exceed fee is a 115 percent increase to the original contract and will bring the total contract value to \$7,336,700.

The recommended supplemental agreement with URS for an \$889,000 not-to-exceed fee is a 6 percent increase to the original contract and will bring the total contract value to \$17,214,000 with \$7,385,000 allocated to the Seismic Retrofit, which includes the \$1,961,000 reallocated from Martin Luther King, Jr. Multi-Services Ambulatory Care Center - Senate Bill 1953 project. The additional services requested from URS result in the need for a \$2,850,000 increase for additional project/construction management services on the Seismic Retrofit.

The recommended supplemental agreement with MSS for a \$650,000 not-to-exceed fee is a 31 percent increase to the original contract and will bring the total contract value to \$2,750,000 with \$650,000 allocated to the Seismic Retrofit.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

During the seismic retrofit construction, disruption and temporary relocation of services within the Harbor-UCLA Medical Center is anticipated. However, Public Works and Health Services have developed detailed construction phasing plans and move management strategies to minimize the impact on services. Further, the Seismic Retrofit is being coordinated with the S/E Replacement to minimize impact to the hospital's operation.

#### **CONCLUSION**

Upon approval of the recommendations, please forward an adopted, stamped copy of the Board letter to my office.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DDE:DL  
JSE:DJT:DKM:mc

Attachment

c: County Counsel  
Office of Affirmative Action Compliance  
Department of Health Services  
Department of Public Social Services (GAIN/GROW Program)  
Department of Public Works (Project Management I)  
Treasurer and Tax Collector

April 8, 2008

**ATTACHMENT A**

**DEPARTMENT OF PUBLIC WORKS: HARBOR-UCLA MEDICAL CENTER  
SENATE BILL 1953 SEISMIC RETROFIT PROJECT  
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**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Board Approved</b>	<b>Retrofit Revised Completion Date</b>
Project Program	12/31/00	12/31/00*
Design		
Design Services Contract Execution	12/11/01	02/06/03*
Construction Document Submittal	03/31/04	05/19/04*
Jurisdictional Approval	03/01/05	03/28/07*
Construction Bid**	10/11/05	04/28/08
Construction		
Substantial Completion	10/29/07	12/29/11**
Acceptance		03/30/12

\* Actual completion date.

\*\* Senate Bill 1953 compliance at Harbor-UCLA is met upon completion of both the Seismic Retrofit and S/E Replacement.



April 8, 2008

## II. PROJECT BUDGET

Budget Category	Board Approved Project Budget	Impact of These Actions	CEO Financing Plan Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction:			
(a) Estimated Construction Cost	\$23,567,000	(\$ 567,000)	\$23,000,000
(b) Change Order Allowance	<u>5,892,000</u>	<u>(\$1,392,000)</u>	<u>4,500,000</u>
Subtotal	\$29,459,000	(\$1,959,000)	\$27,500,000
Equipment	\$ 0	\$ 0	\$ 0
Plans and Specifications:			
(a) Design Services/ Construction Administration	\$ 3,093,000	\$3,803,700	\$ 6,896,700
(b) Optional Services	0	440,000	440,000
(c) Design Contingency	<u>521,000</u>	<u>(\$521,000)</u>	<u>0</u>
Subtotal	\$ 3,614,000	\$3,722,700	\$ 7,336,700
Consultant Services:			
(a) Project/Construction Management Services	\$ 3,014,000	\$2,850,000	\$ 5,864,000
(b) Additional/Optional/ Reimbursable Services	1,521,000	0	1,521,000
(d) Document Control Services	0	650,000	650,000
(e) Consultant Contingency	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Subtotal	\$ 4,535,000	\$3,750,000	\$ 8,285,000
Miscellaneous Expenditures	\$ 21,000	\$ 25,000	\$ 46,000
Jurisdictional Review, Permits, and Fees	\$ 483,000	\$ 0	\$ 483,000
Unforeseen Conditions	\$ 0	\$ 1,250,000	\$ 1,250,000
County Services	\$ 2,905,000	\$ 3,066,300	\$ 6,971,300
<b>TOTAL</b>	<b>\$41,017,000</b>	<b>\$9,855,000</b>	<b>\$50,872,000</b>